

110Mt Mineral Resource at Warramboo

Significant Milestone on the way to Development

Iron Road Limited (Iron Road, ASX:IRD, IRDO) is pleased to report completion of its maiden Mineral Resource estimate at the wholly owned Warramboo Iron Project.

Highlights

- 110Mt JORC compliant Inferred Resource estimate report at the Warramboo Iron Project in South Australia.
- Mineral Resource calculated from work conducted on a 1.7km portion (approximately 3.4%) of the project's total strike length of more than 50km.
- Test work results returned a high quality concentrate **averaging 69.9% iron** with low levels of impurities.
- Significant additional potential tonnage has been identified and preparation of a global exploration target is being compiled.
- Project is in close proximity to existing infrastructure with multiple transport and port options.
- Warramboo set to emerge as a large-scale, pre-development iron ore project on the Eyre Peninsula.

A summary of the key data is included in the table below.

Boo-Loo Resource Estimate							
Resource Classification	Material Type	Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
Inferred	Fresh	87.5	19.4	51.0	11.1	0.10	1.2
	Transitional	4.1	19.3	46.7	12.2	0.06	7.1
	Oxide	18.9	19.6	46.2	12.5	0.06	7.6
Total		110.5	19.4	50.0	11.4	0.09	2.5

The Warramboo resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd (refer attachment 1) following two drilling programmes undertaken over the past year.

The current Mineral Resource focuses on a **1.7km portion of the project's total strike length of more than 50km**. The remainder, whilst still to be fully tested and drilled, is considered by the Company to be similar in scale and quality and is likely to host several substantial deposits.

The Warramboo mineralisation drilled to date shows a consistent nature and test work confined to the 1.7km portion under investigation (known as Boo-Loo) resulted in an indicative average concentrate grade of 69.9% iron with a mass recovery of 21.8% for the fresh material. This compares favourably to the results of the Stage I drilling programme that resulted in an indicative average of 70.3% iron across the upper portion of the Warramboo deposit (refer table overleaf). Significantly, an excellent link has been demonstrated between target exploration methodology and resulting defined resources.

Indicative Concentrate Specifications						
Project	Fe %	Mass Rec %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
Stage 1 drilling *	70.3	21.0	1.0	0.8	0.00	-3.3
Boo-Loo **	69.9	21.8	1.3	1.0	0.00	-2.8

P80 passing 40 μ
 * based on 72 DTR composites across the upper portion of the Warramboe deposit from Stage 1 drilling
 ** based on 396 DTR composites across the Boo-Loo Project only

Iron Road Managing Director Andrew Stocks said confirmation of the Company's maiden Resource at Warramboe was a major milestone in the project's development.

"To achieve this result in such a short timeframe since listing on the ASX in mid 2008 is a testament to our commitment to the exploration and development of Warramboe, particularly during a difficult time for emerging resources companies. Our resource consultants are now working on a global exploration target with the aim of quantifying the full potential of the project.

"We believe the Warramboe project is set to emerge as one of Australia's most significant magnetite iron ore projects and we look to the completion of the global exploration target to confirm this," said Mr Stocks.

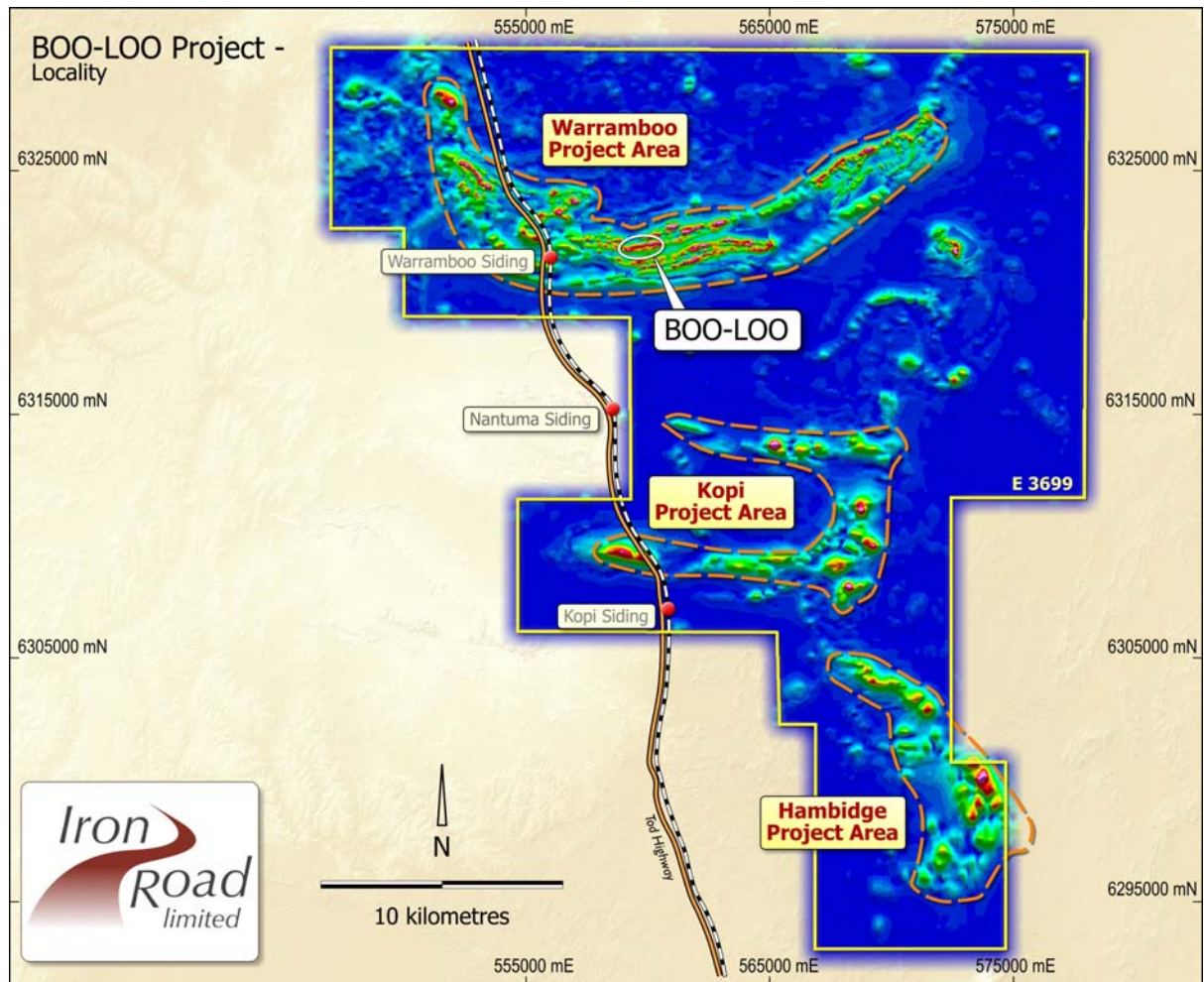


Figure 1 Warramboe project area – area of Resource (Boo-Loo) indicated

The essential elements for the development of Warramboe are coming together – high quality resource, potential concentrate specifications, numerous export options and supportive communities. Iron Road is following a clear development roadmap with a view to establishing a long-life +5Mtpa magnetite concentrate export operation. Warramboe’s maiden mineral resource estimate forms the initial phase of a staged programme towards possible development.

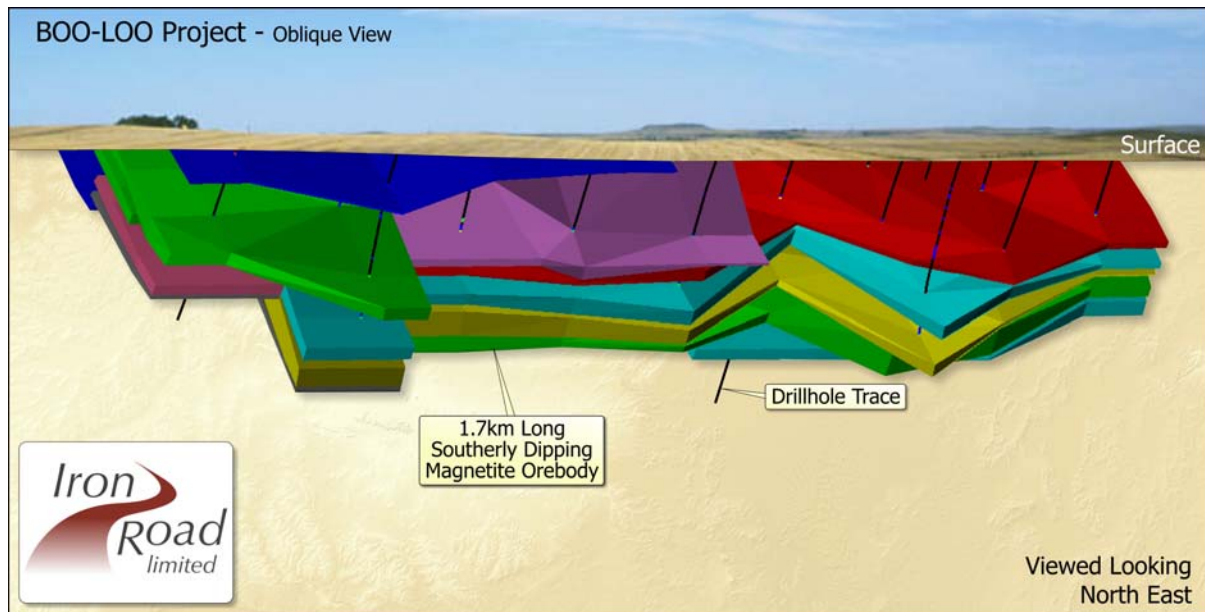


Figure 2 **Three dimensional long section through Boo-Loo**

As well as the global exploration target, Iron Road’s development programme will include the continued investigation of export infrastructure options. Warramboe is centrally located on the Eyre Peninsula and enjoys close proximity to a number of possible export routes on the east and west of the Eyre Peninsula, all within 80 to 185km of the project. This close proximity gives Iron Road a substantial advantage in developing Warramboe over other less centrally located iron ore projects.

The Company’s process design consultants, ProMet, are overseeing a major metallurgical test work programme that includes investigations into dry magnetic separation.

Iron Road will continue preliminary engagement with development partners, with a view to introducing a substantial partner to the project at the appropriate stage. With the interest received to date and the backing of cornerstone investor *The Sentient Group*, Iron Road is confident a range of partnership opportunities are available.

The ‘Warramboe cluster’ currently under investigation forms only part of the Warramboe Iron Project. Further magnetic anomalies occur to the south at the ‘Kopi’ and ‘Hambidge’ clusters.

-ENDS-

For further information, please contact:

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Competent Person’s Statement

The information in this report that relates to Exploration Results is based on and accurately reflects information compiled by Mr Larry Ingle, who is a fulltime employee of Iron Road Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Ingle has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ingle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

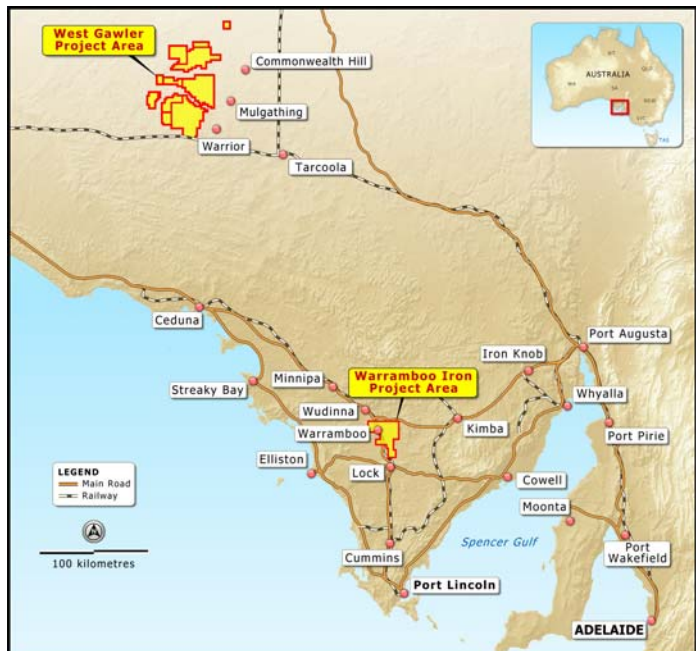


Figure 3 - Location of the South Australian projects.

The information in this report that relates to Mineral Resources is based on and accurately reflects information compiled by Mr Iain Macfarlane and Mr Alex Virisheff, both of Coffey Mining Ltd, who are consultants and advisors to Iron Road Limited and Members of the Australasian Institute of Mining and Metallurgy. Mr Macfarlane and Mr Virisheff have sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Macfarlane and Mr Virisheff consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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Memorandum

Date: 6 August 2009
Company: Iron Road Ltd
Attention: Larry Ingle
Copy: Alex Virisheff
From: Iain Macfarlane
Subject: **Resource Estimation at Boo-Loo Magnetite Prospect**

Dear Larry

The Mineral Resource for magnetite and goethite maghemite mineralisation at the Boo-Loo Magnetite Prospect is complete. The Mineral Resource Statement as at 6 August 2009 is tabulated overleaf.

The information in the report which relates to the Mineral Resource is based on information compiled by Iain Macfarlane and Alex Virisheff, who are Members of The Australasian Institute of Mining and Metallurgy. Iain Macfarlane and Alex Virisheff are employed by Coffey Mining Ltd.

Iain Macfarlane and Alex Virisheff have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Reserves". Iain Macfarlane and Alex Virisheff consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

For and on behalf of Coffey Mining Pty Ltd



Iain Macfarlane
Senior Resource Geologist



Alex Virisheff
Principal Resource Geologist

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Table 1
Iron Road Limited
Warrambo Iron Ore Project
Boo-Loo Magnetite Prospect
Mineral Resources
Grade tonnage – 6th August 2009
Reported within Material Type Horizons
Fresh (Magnetite) and Transitional (Mixed) and Oxidised (mainly Goethite / Maghemite)
Lower Grade Cutoff of 12% Fe Applied

Resource Classification	Material Type	(Mt)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	LOI%	CaO%	K ₂ O%	MgO%	MnO%	S%	TiO ₂ %
Inferred	Fresh	87.5	19.4	50.99	11.08	0.098	1.16	1.56	2.56	2.48	0.81	0.068	0.55
	Transition	4.1	19.3	46.87	12.24	0.059	7.09	0.51	1.77	1.43	0.42	0.306	0.70
	Oxidised	18.9	19.6	46.24	12.53	0.056	7.57	0.44	1.55	1.30	0.36	0.290	0.74
Total		110.5	19.4	50.03	11.37	0.089	2.47	1.33	2.36	2.24	0.72	0.115	0.59

Notes:

- There is drilling coverage for the whole rock grades (in total 11 grade items) on a 100m by 200m grid over the target area, drilling being aligned along sections orientated north-south. Indications are that the strongly metamorphosed host rocks were originally part of a clastic sedimentary sequence. It is not yet understood whether the iron mineralisation is remnant (i.e. units of banded iron formation (BIF) were included within the clastic sequence or was subsequently introduced. These host rocks, were intersected by 29 drillholes. Of these 13 were reverse circulation (RC) drillholes, the the rest being collared by RC drilling with diamond tails.
- Statistical analyses on samples and 4m composites were completed. Variography and search neighbourhood analysis were also conducted as input into the grade estimation.
- Grade estimates were calculated for 100m (east-west) by 50m (north-south) by 10m (vertical) blocks. The method used to obtain grade estimates was Ordinary Kriging.
- Average in situ dry bulk densities were applied. For the various fresh host rocks, 3.1t/m³ have been estimated from a total of 275 density measurements. No determinations have been carried out to ascertain in situ dry bulk density for the transition or oxidised materials. Estimated values of 2.8t/m³ and 2.5t/m³ respectively have been assigned to these materials.
- Resource classification was developed from the confidence levels of key criteria including drilling methods, geological understanding and interpretation, sampling, data density and location, grade estimation and quality. The requirements for infill drilling, together with uncertainties in geological interpretation and mineralisation envelopes in the more structurally complex zones, no density data for the oxide material and incomplete QAQC data have resulted in the resource being classified as an Inferred Mineral Resource.
- Davis Tube testwork has been undertaken to determine the percent weight recovery (DTR) of magnetic material (concentrate). The concentrate has then been assayed to establish its grade characteristics.
- Samples obtained from the existing drilling were composited to a nominal 4m interval and were submitted for Davis Tube testwork. Samples were predominantly taken from the unoxidised (fresh) portion of the selected drillholes.
- As the concentrate grades are representative of the recovered portion only, the estimation requires the use of service variables to ensure the blocks are appropriately weighted. Service variables are calculated as DTR multiplied Fe grade, DTR multiplied SiO₂, DTR multiplied Al₂O₃ and so on for the remaining grade items (11 in all).
- Statistical analyses were also completed on Davis Tube testwork samples, subsequent 4m composites and service variables. Variography was undertaken on DTR, concentrate grades and service variables, and search neighbourhood analysis was also conducted as input into grade estimation.
- Ordinary Kriging was used to obtain estimates of DTR and service variables. The concentrate grades (Fe, SiO₂, Al₂O₃, P, LOI, CaO, K₂O, MgO, MnO, S and TiO₂) were then back calculated from these estimates.
- As the Davis Tube testwork results are at a lower density than the whole rock data, the confidence level in the DTR and concentrate grade estimates is reduced and, as such, these estimates are considered to be only indicative at this stage. They indicate that the DTR is likely to be in the order of 21.8% and the concentrate grade approximately 69.9% Fe, 1.29% SiO₂, 1.03% Al₂O₃, 0.003% P, -2.83% LOI, 0.04% CaO, 0.05% K₂O, 0.18% MgO, 0.78% MnO, 0.006% S and 0.13% TiO₂. These recoveries apply only to the fresh material. Testwork has yet to be carried out on transition and oxide materials.